GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Lands - APIIC Limited – Permission to APIIC Ltd., for incorporation of Indemnity Clause in the APIIC's Agreement of sale in respect of land allotted in favour of M/s.Apollo Tyres Ltd., for 256.63 Acs at I.P., Chinapanduru (V), Varadaiahpalem (M) in Chittoor Dist for establishment of Modern and State of Art Tyre Manufacturing Plant - Orders - Issued.

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INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No. 144 Date:28.12.2018

Read the following:

1. G.O.Ms.No.175, Ind & Com (Infra) Dept, dt.13.12.2016.
2. G.O.Ms.No.45, Ind & Com (P&I) Dept, dt.13.03.2017.
3. G.O.Ms.No.136, Ind & Com (Infra) Dept, dt.16.10.2017.
4. G.O.Ms.No.147, Ind & Com (Infra) Dept, dt.31.10.2017.
5. From the VC & MD, APIIC Ltd., Vijayawada Single File No.82215(S1)/APIIC/AM (P)/APOLLLO/Cabinet/2017 & Lr.dt.30.10.2017.
6. Approved Minutes of the Secretaries Committee held on 03.04.2018.
7. G.O.Ms.No.75, Ind & Com (Infra) Dept, dt.08.06.2018.
8. From the VC & MD, APIIC Ltd., Vijayawada Single File No.CE-I/APIIC/ELEC/IP-Chinnapnduru/TPT/APOLLLO/2016-17/2016-16 & Lr.dt.19.07.2018.
9. G.O.Ms.No.98, Ind & Com (Infra) Dept, dt.23.08.2018.
10. From the VC&MD, APIIC Ltd., Single File No.APIIC-19025/18/2018-LW-APIIC, dt.04.11.2018

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ORDER:

In the references 1st to 6th read above, orders were issued extending certain incentives and facilities including allotment of land of 256.63 Acres to M/s.Apollo Tyres Limited (ATL) for setting up of Modern and State of Art Tyre Manufacturing Plant at Industrial Park, Chinapanduru (V), Varadaiahpalem (M) in Chittoor District.

2. In this regard, the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., in the reference 10th read above, informed that several Court cases are pending before the Hon'ble High Court on the lands allotted to M/s.Apollo Tyres Ltd., Counters were filed in the Writ Petitions and the matters are pending for hearing by the Hon'ble Court.

3. As such, the Company is requesting for indemnity clause in the sale agreement, as they started civil work and ordered equipment required for the project.

4. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., while suggesting the following draft indemnity clauses has therefore requested the Government to examine the request of the company, and to issue orders for incorporating the indemnity clause in the Agreement of sale of land allotted to M/s.Apollo Tyres Ltd., for setting up of the their project stating that there is no indemnity clause in the standard Agreement of sale of APIIC and since the land is given to the company on the basis of Government Orders:

> *"The Party of The First Part represents and warrants that the Said Property being allotted to the Party of The Second Part is free from any encumbrances, which is also verified by the Party of the Second Part and that the land has been acquired following due process of law and after paying adequate compensation to all relevant eligible stakeholders and that if anytime in future any person makes/ files any claim for compensation/challenges the title of the Party of The First Part to the Said Property allotted to the Party of The Second Part before any court of law, the said legal cases/ claims will be defended by the Party of The First Part at its sole cost and it shall take all necessary action to defend such title and compensation cases filed against the Said Property allotted to the Party of The Second Part, so as to ensure that the title is protected effectively and that the Party of the Second Part is able to continue with the implementation of the Project without any delay or hindrance. The Party of the First Part hereby agrees to indemnify the Party of the Second Part the cost of the land paid by the Party of the Second Part to the Party of the First part and the actual cost of building (such structures which are not removable from the land) roads built by Party of the Second Part on the Said Property after due verification of such costs, in case there is any defect in title of the Party of the First Part in the allotted land, which makes it impossible for the Party of the Second Part to implement the project in the allotted land and such defect of title cannot be cured by the Party of the First Part.*

(P.T.O.)

The Party of the First Part further confirms to the Party of the Second Part that the delay caused in the implementation of the Project due to stay orders passed by the Hon'ble Courts against the Party of the Second Part, such period of stay shall not be counted for the purpose of calculating the Project Implementation Period and/or Extended Project Implementation Period, as the case may be."

5. Government, after careful examination of the issue hereby permit the APIIC Ltd., for incorporation of the above Indemnity Clause in the APIIC's Agreement of sale related to M/s.ApolloTyres Ltd., for 256.63 Acres at Industrial Park, Chinapanduru (V), Varadaiahpalem (M) in Chittoor District for establishment of Modern and State of Art Tyre Manufacturing Plant.

6. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited, Vijayawada shall take further necessary action in the matter accordingly.

7. This orders issued with the concurrence of Finance (FMU-I&C) Department vide their U.O.No.FIN01-FMU0ASD(IC)/29/2018-FMU-I-C, dt.17.12.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., H.No.12B, 59A-8-12B, Guru Nanak Colony Road, Teacher's Colony, Vijayawada-520008.

Copy to:

The Commissioner of Industries, 1st Floor, Government Regional Printing Press Buildings, Mutyalampadu, Vijayawada – 520 011.
The G.A. (Cabinet) Department, A.P. Secretariat, Velagapudi. (with reference to U.O.No.553/2018, dt.27.12.2018.)
The P.S. to Principal Secretary to C.M. (GSP), A.P. Secretariat, Amaravathi, Velagapudi.
The P.S.to Secretary to Government & CIP, A.P. Secretariat, Amaravathi, Velagapudi.
The Ind & Com (P&I) Department.
SF/SC.

//FORWARDED BY: ORDER//

SECTION OFFICER